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To: ATR-Real Estate Workshop
Subject: Fwd: Real Estate Workshop-Competition

Attached is a letter regarding competition in the real estate market place.
If you have any questions, please feel free to call or e-mail me!

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"We often expect from others more than we are willing to do ourselves"

Lately, Realtors have been accused of stifling competition; this is such a large concern that there is a lawsuit against the National Association of Realtors (NAR) in regards to this topic. Based upon my experience in real estate and with Realtors, I can say that a lack of competition is one thing that should not be associated with Realtors or NAR.

In today's market, real estate is an extremely competitive business. Unlike some other markets, real estate is not dominated by any person or franchise. Companies like Microsoft and Wal-Mart can dominate many different locations and areas, but due to the localized nature of real estate, this is hard for Realtors. This allows for a fierce competition among real estate agents that actually works to help the consumer more. Real estate is also constantly providing opportunity for more people to become agents which is evidenced by the fact that NAR is continuing to grow. Unlike major corporations, an agent can choose between more than 76,000 brokerage firms rather than being limited to one firm that dominates the area.

Real estate firms provide many different and unique services which insight competition in the business. Things such as commission dropping are just one of the competitive resources now being used; in my area, most agents take less than 5% on their listings and offer less than 2% to cooperating brokers. This forces agents to get more creative in order to compete in the business. Drops in commission may seem perfect to those who do not work in the business, but if you figure out how many hours the average real estate agent spends on one deal, the amount is paltry.

The Multiple Listing Service (MLS) allows brokers to share their own listings and offer compensation to other Realtors/brokers. It is an equal playing field for all the real estate companies, whether a large franchise or a small office. There is no discrimination in the MLS and provides a balance for respecting the rights of listing brokers, such as

dropping the commission. The MLS is not a public “for sale” board; it is a way for Realtors to give help their buyers find the best house for them or help their sellers sell their house even faster. The agents in my office love the MLS system because they can show their customers the listings of other agents in order to achieve the best deal and service for them.

The new ILD policy is a win-win situation for both the realtor and the consumer. It allows the seller to choose whether or not to market their property on the internet and also allows them to choose a select member or broker to work with. With the new ILD policy, even if a broker does not share his listings he can view listings from other companies. The policy is good for Realtors because it gives them control over where the listings are displayed on the internet.

Competition is the basis of the real estate market; without it, the consumer would have less options and a lower service level. The rules of NAR regarding internet-display really work for the current Realtor.